

FACTS ON FILE



WORLD NEWS DIGEST WITH INDEX

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WORLD AFFAIRS

Berlin Pressures Grow

New Khrushchev Treaty Threat. The USSR's warning that it would sign a separate World War II peace treaty with East Germany unless the West agreed to negotiate on Germany was repeated by Premier Khrushchev June 21 in a speech at a Kremlin meeting marking the 20th anniversary of Hitler's invasion of Russia.

Khrushchev, attired in his wartime lieutenant general's uniform, reviewed the history of Soviet relations with Nazi Germany and other Western countries. He declared that Russia had been the first nation to call for an anti-Nazi alliance. When its appeals had been ignored, he said, the USSR had been forced to negotiate with Hitler, "the devil incarnate." "It was the perfidious policy of the ruling circles of Britain and France that impelled us to conclude a non-aggression pact with Germany in Aug. 1939," Khrushchev asserted.

The new Soviet deadline for settlement of the Berlin question was reiterated by Khrushchev. He said that if the West refused to negotiate, "at the end of this year, we, together with other peace-loving states will sign a treaty with . . . [East Germany]." Khrushchev declared that the USSR was forced to contemplate this step because "West Germany has now become an influential member of the aggressive military NATO bloc" and its "militarists . . . have already got hold of rocket weapons and are insistently demanding atomic weapons. . . ."

Khrushchev charged that Western leaders "would like to turn the German question into a touchstone for a test of strength." Addressing himself to Chancellor Adenauer, he said: "I warn that the Soviet Union stands firm. If you forget the lessons of history . . . it will be suicide for you and your people."

Defending the Soviet plan for a Berlin and German settlement, Khrushchev said: "Contrary to the noisy allegations of those who would like to keep up international tension, we do not threaten West Berlin at all when we urge . . . a peace treaty. We propose a free city status for West

Berlin. We have no intention of changing the social and political system in West Berlin. . . . Neither the Soviet Union nor . . . [East Germany] intends to restrict the links between West Berlin and all the countries of the world. As regards those who try to threaten us with war if we sign a peace treaty with . . . [East Germany], they will bear the entire responsibility for their actions." "This is not 1941—this is 1961 and we have all means to defend ourselves. . . ."

(In a telegram transmitted to East German CP First Secy. Walter Ulbricht and made public June 26 by the ADN news agency, Khrushchev declared that "the interests of peace and European security make a German peace treaty and the normalization of conditions in West Berlin . . . a compulsive necessity." "The time for conclusion of a peace treaty is long overdue and the Soviet Union . . . [and other nations] will do their utmost to sign one by the end of this year.")

Peaceful Transition Pledged. In his 3d major speech on the German question since his Vienna meeting with Pres. Kennedy, Khrushchev said at a Kremlin reception in honor of North Vietnamese Premier Pham Van Dong June 28 that free-city status would be imposed on West Berlin peacefully and without a renewal of the 1948-49 blockade.

Khrushchev said: "We are threatening nobody by proposing to conclude a German peace treaty and to solve . . . the question of West Berlin. . . . We move to establish reliable international guarantees of non-interference in the affairs of West Berlin: let the 4 great powers be the guarantors and keep some contingent of their armed forces in the free city, or such guarantees could be provided by the armed forces of neutral nations [or the UN]. . . . There will be no blockade of West Berlin and no obstacles will be put up on the routes of access to this city. West Berlin will be able to maintain free contacts with all states at its discretion. Since the communication lanes to West Berlin pass through . . . [East Germany], agreement with the government of this state should be reached . . . on their use."

The USSR was "ready for talks" that would aim "honestly and frankly" at an East-West accord on Germany, Khrushchev declared. He said: . . . "We propose . . . to legalize what has taken shape as a result of war—to recognize the actual state of affairs in Europe. . . ." The USSR was prepared to let West Germany remain in NATO and East Germany in the Warsaw Pact. "Let the situation remain as it is until the sides reach agreement on the liquidation of the military blocs." "The unification of . . . Germany into a single state can be achieved only through talks and cooperation between . . . these [German] states themselves. The other nations must not interfere in this internal [German] affair."

Khrushchev warned Western leaders against attempting to deter the USSR from its aims with economic or diplomatic sanctions or with military mobilization. He said: "If the enemies of . . . peaceful coexistence call a mobilization . . . we

Week in Headlines

Premier Khrushchev restated threat to sign treaty with East Germany, end Berlin occupation this year; Pres. Kennedy rejected Red terms, offered talks on German self-determination.

Pres. de Gaulle to seek Algerian settlement in 1961; Evian peace negotiations detailed.

House passed \$4.9 billion Administration housing bill, Senate voted increased Social Security benefits for aged, Congress rejected FCC, SEC reforms.

Pres. Kennedy invoked T-H law against maritime union strike.

Freedom Riders arrested, jailed.

Premier Castro rejected final tractor-prisoner exchange offer; Venezuela crushed revolt; Stevenson completed Latin tour.



shall not allow them to catch us unawares. We . . . if need be shall take additional steps to strengthen our security."

Kennedy's Reply. The USSR's terms for a German settlement were rejected by Pres. Kennedy June 28 in a statement read at a Washington news conference, his first since he met Khrushchev in Vienna.

Mr. Kennedy's statement made it clear that the U.S. would resist all Soviet efforts to make permanent the partition of Germany and to deprive West Berlin of the protection afforded by Western military occupation.

The President, charging that recent speeches by Soviet leaders had been "designed to heighten tension" over Germany, said that it was "of the greatest importance that the American people understand . . . the threat to the peace and security of Europe and of ourselves posed by the Soviet announcement that they intend to change unilaterally the existing arrangements of Berlin." "The quote crisis unquote over Berlin is Soviet-manufactured," he declared.

Mr. Kennedy's summary of the Soviet position and the U.S. response to it:

● "In Nov. 1958, the Soviets began a new campaign to force the Allied powers out of Berlin. . . . Now they have revived that drive. They call upon us to sign what they call a peace treaty . . . with the regime that they have created in East Germany. If we refuse, they say that they themselves will sign such a peace treaty. The obvious purpose here is not to have peace but to make permanent the partition of Germany."

● "The Soviets also say that their unilateral action in signing a . . . peace treaty . . . with East Germany would bring an end to Allied rights in West Berlin and to free access to that city. It is clear that such unilateral action cannot affect these rights, which stem from the surrender of Nazi Germany. . . . If the Soviets . . . withdraw from their own obligations, . . . the other 3 Allies . . .

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[must] decide how they will . . . meet their responsibilities."

● The USSR has said that when it signs the treaty "we will be subject to the designs of the East German regime and that these designs will be backed by force." The "free city" sought by East Germany "is one in which the rights of the citizens of West Berlin are gradually but relentlessly extinguished." "No one can fail to appreciate the gravity of this threat. . . . It involves the peace and the security of the peoples of West Berlin. . . . It involves the peace and security of the Western world."

● The Western alliances were "wholly defensive." "But the Soviets would make a grave mistake if they suppose that Allied unity and determination can be undermined by threat or aggressive acts. There is peace in Germany and in Berlin. If it is disturbed, it will be a direct Soviet responsibility."

● "We would agree that there is unfinished business to be settled as concerns Germany. . . . We shall always be ready to discuss any proposal which would give increased protection to the right of the people of Berlin to exercise their independent choice as free men. . . . Discussions will be profitable if the Soviets will accept in Berlin, and indeed in Europe, self-determination . . . and if they will work sincerely for peace rather than an extension of power."

In answer to reporters' questions, Mr. Kennedy denied that he had received from his advisers any proposals for a partial U.S. mobilization to make clear Western determination to defend Berlin. He said, however, that his advisers were studying "a whole variety of measures" which would "make meaningful our commitment" in West Berlin.

Algeria

De Gaulle on Settlement. French Pres. de Gaulle declared June 27 that he was determined to win a settlement of the Algerian problem in 1961.

Meeting newspapermen and National Assembly deputies at an Elysée Palace reception, de Gaulle disclosed that, as an indication of French intentions toward Algeria, he already had ordered the return to France of one army division. He asserted that Algerian delegates to the recent French-rebel peace talks in Evian had ignored the need for French participation in Algeria's future development. He warned that "if association is not possible, we must envisage partition. We must virtually settle this affair before the end of the year. . . ." He predicted that if Algeria chose independence without association with France "it will become again what it was in 1830."

Asked about his continued exercise of dictatorial powers under Article 16 of the French constitution, de Gaulle said: "The day that the Algerian affair is settled, the day when there is no more risk of crimes, we will have no further need of Article 16 and there will even be no further need of de Gaulle. . . ."

Evian Peace Talks. Representatives of France and of the Moslem rebel Algerian Provisional Government met in Evian-les-Bains, France May 20-June 13 to begin negotiations toward settling the 7-year-old Algerian rebellion. The talks were recessed with no settlement in sight.

(The Algerian Provisional Government, based in Tunis, technically was known as the Provisional Government of the Algerian Republic [GPRA]; the National Liberation Front [FLN] was the rebel political and military organization operating in Algeria.)

The talks were the first full-scale negotiations of the French with Algerian rebels. An earlier French-rebel meeting, held June 25-29, 1960 in Melun, France, unsuccessfully had sought to fix preconditions for negotiations on a cease-fire and an end to the rebellion. [See Vol. XX, p. 235D1]

The Evian meetings were held at a heavily-guarded hotel on the shore of Lake Geneva. For political and security reasons, the Algerian negotiators resided in Geneva and commuted by helicopter across the lake to attend conference sessions.

French Proclaim Truce. A 30-day cease-fire in Algeria was proclaimed unilaterally by France May 30 as a demonstration of its goodwill toward the Evian talks. Orders issued that day by Gen. Fernand Gambiez, French commander-in-chief in Algeria, made the cease-fire effective in all parts of Algeria except in 20-mile wide zones adjacent to the Tunisian and Moroccan borders and in the vicinity of the electrified barriers built by the French to hamper rebel movements across those borders. French troops were ordered to fire on rebels only in self-defense. Any rebel troop movements were to be considered cease-fire violations.

(The French cease-fire was denounced May 20 by the rebel delegation to Evian as "blackmail," "propaganda," and an attempted "diversion" of public attention from the talks. Rebel forces in Algeria were reported to have intensified guerrilla attacks after disclosure of the cease-fire orders. These were the major rebel attacks reported: 7 French soldiers were killed in Sidi-Aich May 20 when Moslems serving with them betrayed their post to a rebel band; 10 French were killed and 5 wounded in an ambush southwest of Algiers May 22. 2 French were killed in an ambush May 23 near Bou Arfa; 23 rebels were killed and 29 captured May 30 in a battle with the French in attempting to cross the Moroccan border; 13 persons were killed and 54 wounded in a series of terrorist attacks in Algerian cities June 11-12, and 10 were killed in similar attacks June 19; 11 Moslems were killed and 23 wounded in Taher and Djidjelli June 19 when French security forces fired on pro-rebel demonstrations; 4 persons were killed June 25 and 7 June 26 in rebel terrorist attacks.)

(10 rebels, 4 of them Moslems serving in the French army, were killed in 2 gun battles with police in Paris June 5. 8 policemen, 2 Moslem soldiers and one civilian terrorist were wounded. 40 rebels were involved in the attacks, 20 of them members of French army units based near Paris.)

Algerian press dispatches, subject to military censorship, contained no reports of French violations of the cease-fire terms. The 30-day truce was extended "indefinitely" June 15.

Other measures announced by the French government coincident with the opening of the Evian talks: Ahmed Ben Bella and 4 other rebel cabinet members captured in 1956 were transferred from an island fortress off the Breton coast to a "controlled residence" at a chateau near

Saumur, France (a 6th captive, Mohammed Lacheraf, was freed); 6,000 of the Moslems detained in Algeria as suspected rebels were to be released within a month; 100,000 of the estimated 1,000,000 Moslems held in French regroupment camps in Algeria were to be released and resettled in pacified sectors of the country; French technical aid to Algeria was to be increased.

(The N.Y. Times reported from Paris May 25 that more than 2 million Algerian Moslems, ¼ of the country's Moslem population, had been removed from their homes and villages to segregate them from rebel influence and contacts. 1,000,000 of the refugees were settled in new villages and 1,000,000 reportedly were being held in the regroupment camps. The Times had reported May 21 that 2,750,000 Moslems had been "regrouped" by the French.)

Evian Sessions. The French-rebel negotiations were opened in Evian May 20 by French Min. for Algerian Affairs Louis Joxe and rebel Foreign Min. Belkacem Krim, who was accompanied by Finance Min. Ahmed Francis and Ahmed Boumendjel, political adviser.

The Evian negotiations were closed to the public and to the press, but news conferences were held by delegation chiefs.

The opening session was devoted to presentation of the conflicting French and rebel views on Algerian self-determination by Joxe and Krim. Joxe detailed the political choices offered by de Gaulle's program for Algerian self-determination; Krim said the rebels accepted self-determination and the liquidation of colonialism in Algeria as a minimal basis for accord.

Krim, at a Geneva news conference held by closed-circuit TV after the 2d session May 23, warned that the rebels would not accept any settlement based on the partition of Algeria. He said that the proposed self-determination program would have to apply to "an entire people" and "necessarily to entire national territory." He warned that partition "carries . . . within itself the germs of permanent instability and crisis." His statement thus rejected French threats to form French enclaves within Algeria and to sever the oil-rich Sahara from an independent Algeria.

Joxe said at a news conference May 26 that France did not seek the division of Algeria into French and rebel zones but that "in the case where fear and anguish seized the population, we would be led to partition and we would accept it." Joxe said that even if Algeria chose independence, its peoples would retain French citi-

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zenship until they individually renounced it.

The rebel delegation charged May 31 that Joxe had declared the Sahara to be a "special problem" to be excluded from the self-determination promised "Mediterranean Algeria." Rheda Malek, rebel spokesman, said June 2 that Krim had informed the French that no compromise was possible on Algerian sovereignty over the Sahara. Malek said that an independent Algeria would be willing to discuss "Saharan exploitation with France and the countries bordering on the Sahara later," after "sovereignty has been acquired."

A rebel declaration presented June 6 by Krim offered to permit Europeans and pro-French Moslems and Jews to remain in an independent Algeria as French citizens. It said that Algerian citizenship would not be "imposed" on the European community, and Europeans would have to specifically request it. Rebel spokesmen said, however, that there could be no "double" citizenship in Algeria; persons living there would have to choose to be either Algerian or French.

The French and rebel delegations were reported to have reached a virtual deadlock in 2 meetings June 7 and 10. A French statement issued June 10 said that "the Algerian nation can be born only after a vote of all the Algerian populations and according to the will they express." A rebel statement replied: "After nearly 7 years of war . . . we know our nation is a fact. . . . It appears that France wants us to accept an Algerian state amputated of 4/5 of its territory, dominated by . . . military enclaves and sapped within by the crystallization of a part of the population around . . . colonial interests."

The French delegation broke off the Evian negotiations June 13. Joxe told the Algerians that "no new elements" had appeared in recent meetings and that France wanted "a time of reflection for each side to look for a way out of the impasse." The French fixed no date for resumption of the negotiations, but they suggested that the suspension last at least 10-15 days.

Krim said at a Geneva news conference June 14 that the rebels had opposed the suspension of the talks and were prepared to resume them at French request. He confirmed that the deadlock had resulted from the rebels' views that an agreement was possible only if it specified that the Sahara was to remain part of Algeria and that the political conditions for self-determination would have to be fixed before a formal cease-fire.

A rebel cabinet communiqué, issued in Tunis June 20 after Krim had returned to report on the talks, called on France to resume the negotiations by June 28.

Rightist Violence. The Evian truce talks were preceded and accompanied by a wave of bombings and shootings attributed to the Secret Army Organization (OAS) and other rightist political and paramilitary groups opposed to halting the war against the rebels.

10 persons were wounded in the explosion of 4 bombs in Paris May 13, the 3d anniversary of the 1958 Algiers rebellion that brought Pres. de Gaulle to power. More than 20 bombs in Algiers and Oran May 20 wounded several persons. A rightist mob sacked and burned the Swiss consulate in Oran to protest Swiss willingness to permit the rebel delegation to Evian to stay in Geneva. Algiers Police Commissioner Roger Gavoury was stabbed to death May 31 by unknown Europeans. 6 persons were killed in Oran June 12 and more Oran bombings took place June 18. 5 persons were wounded in Paris June 16 when a bomb exploded in front of the home of Amb.-to-U.S. Hervé Alphand. 6 persons were injured June 19 in the bombing of the Paris office of the Tunis weekly *Afrique Action*.

(30 leftist journalists, teachers and writers were arrested in Paris June 9, reportedly on suspicion of contacts with the rebels, but were released the next day. They included professors Paul Ricoeur and Pierre Vidal-Naquet, and Georges Gosselin, former aide to Justice Min. Edmond Michelet.)

Insurrection Aftermath. The French government, acting on the specific orders of Pres. de Gaulle, took strict political and security measures against military personnel and civilians involved in the April 22-26 Algiers military insurrection against de Gaulle's rule.

(Jacques Coupe de Fréjac, director of information in Algeria, reported Apr. 26 that 2 persons had been killed and fewer than 10 wounded during the insurrection. The dead were French army NCOs killed by the insurgents Apr. 22.)

In a radio-TV address to the French nation Apr. 26, Premier Debré said that the insurrection had imposed a "brutal" test of strength on the French state and that its collapse should not obscure "the convulsions . . . that are still possible." He thanked military and civil officials who had demonstrated their loyalty and said: "If the government, in the months to come, appears tougher with regard to certain interests, tell yourself that it is to restore to the state the firmness that . . . [is] indispensable."

At least 6 generals and 200 other officers were arrested in France and Algeria for complicity in the insurrection. 400 rightist activists were arrested in France and a similar number in Algeria on the same charges. Special security regulations, including a curfew, were imposed on Algiers, Oran, and other Algerian cities. Algiers was subjected to a house-by-house police search that uncovered thousands of weapons. The city's municipal council, which had supported the uprising, was dissolved and replaced by an appointed body.

All military formations that had taken part in the insurrection were disbanded by the French government Apr. 29. The units dissolved included the First Paratroop Regiment of the French Foreign Legion, the spearhead of the uprising, and the 14th Battalion and 18th Regiment of Paratroops. The parent formations of the disbanded units—the French army's 10th and 25th Parachute Divisions—were dissolved May 4. The disbanded units contained an estimated 5,000 to 6,000 men.

(The Legion's First Paratroop Regiment, composed 60% of Germans, blew up its munitions dumps, burned its documents and partially destroyed its base at Zeralda before leaving for Sidi-bel-Abbes Apr. 27 to be dis-

banded. Most of its officers had been arrested.)

Generals' Trials. A special military tribunal was created by French government decree Apr. 28 to judge the military leaders of the insurrection. 8 were convicted and given prison sentences by June 26.

The first to be tried were former generals Maurice Challe, 55, considered the leader of the uprising, and André Zeller, 63, a leading co-conspirator. 2 other former generals and major co-conspirators, Raoul Salan and Edmond Jouhaud, remained at large. Challe had surrendered Apr. 26 and Zeller May 6. All 4 leaders of the insurrection had been stripped of military rank.

Challe and Zeller went on trial in Paris May 29. Both were convicted and each was sentenced to 15 years' imprisonment May 31 by Judge Maurice Patin, presiding officer of the tribunal. Challe testified that the insurrection leaders sought only to redeem the French army's pledge to keep Algeria French and to protect its population from rebel bloodshed. Challe denied that the insurgents had contemplated an attack on metropolitan France or an attempt to overthrow the de Gaulle government. He said he had agreed to lead the uprising only after he became convinced that de Gaulle's program of Algerian self-determination would cause the loss of Algeria, first to the rebels and then to communism.

Other French officers convicted:

Maj. Elie Denoix de Saint Marc, 39, temporary commander of the First Paratroop Regiment of the Foreign Legion during the uprising, was sentenced June 10 to 10 years in prison.

Pierre Bigot, 51, former general and French air force commander in Algeria, was sentenced June 6 to 15 years in prison for attempting to rally AF units to the insurgents.

Jean Nicot, former general and 2d in command of the French air force, was sentenced June 19 to 12 years' imprisonment for helping Challe and Zeller come to Algeria and launch the plot.

Ex-Lt. Gen. Marie-Michel Gouraud, former commander of the Constantine military district, was sentenced June 20 to 7 years in jail for having supported the rebels during the last 3 days of the uprising.

Maj. Georges Robin, 40, paratroop officer who arrested and guarded loyal military and civilian leaders in Algiers during the uprising, was sentenced June 21 to 6 years' imprisonment.

Lt. Col. Jean Brechignac, 46, was sentenced to 2 years in jail June 26 for supporting the insurrection.

French Command Revised. Lt. Gen. Charles Ailleret, director of France's first nuclear test, in 1960, was appointed June 7 to replace Gen. Fernand Gambiez as French commander-in-chief in Algeria. Gambiez was assigned to a staff post in Paris. His replacement was part of a major revision of the Algerian command in the wake of the insurrection.

Other major appointments announced June 7: Maj. Gen. Emile Cantarel, to replace Lt. Gen. Henri de Pouilly as commander of the Oran military district; Maj. Gen. Paul Ducorneau as commander of the Constantine military district; Maj. Gen. Jacques de Bertereche de Menditte to replace Lt. Gen. Adolphe Vezinet as commander of the Algiers military district. Vezinet was appointed commander of the Paris military district.

CIA Plot Denied. Reports appearing in many leading French newspapers during and after the Algiers uprising alleged that U.S. CIA agents had been in contact with the insurgent generals, had encouraged their rebellion, and had promised them U.S. support. The

CIA's alleged intervention was said to have been motivated by (a) the hope that a new French government would abandon de Gaulle's opposition to NATO forces' integration, and (b) the fear that de Gaulle's Algerian policies would lead to Communist domination of North Africa.

These reports were denied in a series of U.S. government communications to France and in a statement issued May 1 by Allen W. Dulles, CIA director. Dulles said: "Any reports . . . that the Central Intelligence Agency or any of its personnel had anything to do with the generals' revolt were completely false." Further denials were made by U.S. Amb.-to-France James M. Gavin May 3 and by French Foreign Min. Maurice Couve de Murville May 5 in a statement before the National Assembly's Foreign Affairs Committee.

The U.S.' support for Pres. de Gaulle had been made clear in 2 personal messages sent de Gaulle by Pres. Kennedy: The first, delivered in Paris Apr. 22 by Gavin, was reported Apr. 25 to have offered de Gaulle "any assistance" he needed to crush the rebellion. The 2d, sent Apr. 23 and made public the next day, was a general statement of the U.S.' "continuing friendship and support" in "this grave hour for France"; it explicitly backed "the course you have chosen to settle the tragic problem of Algeria."

The U.S.' first reaction to the Algerians' insurrection had been contained in this State Department statement Apr. 22: We deplore this development [the uprising] and hope that it will not retard efforts toward a peaceful

solution of the Algerian problem."

(Britain's support for de Gaulle was expressed in a personal message from Prime Min. Macmillan Apr. 24 and in a statement adopted unanimously by the House of Commons the same day.

Moroccan Border Incidents. Heavy artillery attacks were launched by French forces May 19 against Algerian rebels in the vicinity of the Moroccan border. The bombardments were continued May 21-22 despite the unilateral cease-fire proclaimed by France May 20. The French shelling was directed at the 100-mile border section from Saida, near the Mediterranean, to Berguent, 45 miles south of Oujda. Bou Beker, site of a rebel training camp, was subjected May 22 to what was described as the heaviest border shelling of the Algerian war. A Moroccan civilian had been killed May 7 in a French bombardment of Bou Beker, more than a mile inside Morocco.

(A statement issued May 22 by Moroccan Information Min. Ahmed Alaou warned France that any Algerian settlement based on the country's "Balkanization" could lead to "general war" in North Africa. It said that for Morocco, "the integral independence of Algeria is the sine qua non to future cooperation between France and the Maghreb [North Africa].")

(Both Morocco and Tunisia had welcomed de Gaulle's victory over the Algiers insurgents. Tunisian Pres. Bourguiba said Apr. 26: "Now that French Algeria is definitely dead, friendly Algeria must be constructed.")

NATIONAL AFFAIRS

The President

Ikeda Visits U.S. The establishment of a Joint U.S.-Japan Committee on Trade & Economic Affairs was announced June 22 during an official visit by Japanese Premier Hayato Ikeda to Washington. The committee was to be composed of 6 cabinet-rank ministers from each country and was to meet at least once a year to promote economic cooperation, to coordinate economic-aid programs and to try to avoid trade restrictions.

(The U.S. was the largest buyer of Japanese exports; Japan was 2d only to Canada as a purchaser of U.S. exports.)

A communiqué issued jointly by Pres. Kennedy and Ikeda June 22 also revealed agreement between the 2 countries to establish 2 other committees to study "expanded cultural and educational cooperation" and strengthened "scientific cooperation."

Ikeda, accompanied by his wife, Mitsue, and 3 daughters and Japanese Foreign Minister Zentarō Kosaka, visited Washington June 20-22, New York June 23-24 and Canada June 25-26. While in Washington June 21, Ikeda was a guest at a Presidential luncheon attended by ex-Pres. and Mrs. Eisenhower.

Ikeda said in an address before the National Press Club in Washington June 22 and at a luncheon in

New York June 23 that Japan, by voluntarily restricting textile exports to the U.S., had put itself at a competitive disadvantage to other producers, notably Hong Kong. He expressed concern that some U.S. labor unions showed "protectionist tendencies." [See p. 152A-D2]

Fanfani's Visit. Premier Amintore Fanfani of Italy, accompanied by Foreign Min. Antonio Segni, paid an official visit to Washington June 12-13. He and Pres. Kennedy, in a joint communiqué June 13, stressed the need to strengthen the Atlantic community defensively, politically and economically. They said they had discussed aid to underdeveloped countries.

Fanfani denied at a news conference June 13 that the United Arab Republic had been "singled out" for special consideration during the talks. Press reports had said Fanfani had been expected to recommend that Washington reappraise its cold attitude toward the Nasser régime.

Segni returned to Italy following the Washington meetings, but Fanfani visited Baltimore, Philadelphia and New York. Before leaving for Italy June 16, he urged the U.S. to publicize its ideals in the same effective way it publicized its products. He said world opinion was "much less inclined to accept the words of the Communists than you may think." [See p. 79F1-D2]

Youlou's Visit. Pres. Fulbert Youlou of the Congo Republic (Brazzaville) visited Pres. Kennedy in Washington June 8. A joint communiqué said afterwards that Youlou had not sought "immediate" financial aid but that long-range economic development plans, particularly for hydropower development, had been discussed. Youlou said in New York June 10 that the President had promised to send a technical team to investigate the possibility of a dam on the Kouilou River.

At a National Press Club talk in Washington June 9, Youlou advised the U.S. to "cease to think of Africa in terms of free enterprise and the American way of life" because "it is not certain that what is good for the richest country on earth is good for the poorest continent." [See p. 163F3]

Salt Water Conversion. A draft bill to extend and accelerate U.S. efforts to convert salt water into fresh water was submitted to Congress by Pres. Kennedy June 26.

The bill would: (a) extend the current program from 1963 to 1971; (b) allow research-spending funds to be set annually; (c) authorize construction of additional demonstration plants capable of producing 50 million gallons a day, extend their construction time limit from 1965 to 1973 and remove their current appropriations limitation; (d) provide loans for construction of conversion plants; (e) provide grants to communities with inadequate water supplies. [See p. 72D2]

A \$1,250,000 salt-water purification plant to supply Freeport, Tex. (population 14,000) with drinking water was put into official operation when the President turned on a switch in the White House June 21. The Freeport plant, the first large enough to supply a city's drinking water from converted sea-water, began operation May 8 from a long-tube vertical distillation process. It de-salted a million gallons of water a day at a cost of \$1-\$1.25 per 1,000 gallons. The government sold the converted water to Freeport for 30¢ per 1,000 gallons and to the Dow Chemical Co. for 40¢ per 1,000 gallons. The plant was the first of 5 scheduled U.S. pilot plants. The others, each utilizing a different desalinization process, were to be sea-water conversion plants near San Diego, Calif. and at Wrightsville, N.C. and brackish-water purification plants at Webster, S.D. and Roswell, N.M. [See Vol. XIX, p. 224B2]

The President's endorsement of proposed legislation to irrigate North and South Dakota land through the diversion of water from the Garrison Reservoir was announced June 21. [See p. 72D2]

Communications Satellite. The White House announced June 24 that Pres. Kennedy had asked the National Space Council, headed by Vice Pres. Johnson, to study and present "policy recommendations for bringing into optimum use at the earliest practicable time operational communications satellites." The study was to include proposals on "the nature and diversity of ownership and operation." [See p. 193B1-D2]

Arkansas Aid. Pres. Kennedy declared Arkansas a disaster area because of recent floods and tornadoes and allocated \$824,000 of relief funds to the area. [See p. 129G1]

Health Excellent. Pres. Kennedy was reported to be in excellent health June 26 after recovery from his back ailment and a virus infection that had confined him to bed June 22. He stopped using crutches to ease his back strain June 23. [See p. 216D1-E2]

Congress

FCC, SEC Reforms Vetoed. Pres. Kennedy's FCC reorganization plan was vetoed by a 323-77 House vote (163 D. & 160 R. vs. 77 D.) June 15. His SEC reorganization plan was rejected by a 52-38 Senate vote (34 R. & 18 D. vs. 38 D.) June 21. (Reorganization plans became effective 60 days after the President submitted them to Congress unless either house vetoed them.)

House opponents of the FCC plan, including Speaker Sam Rayburn (D., Tex.), charged that the White House was trying to usurp Congressional authority over the regulatory agencies and establish one-man "dictatorship" by agency chairmen. The House Government Operations Committee, in approving the plan June 1, had warned of "danger of uncertainty and confusion" in the interpretation of the plan. Broadcasting industry officials reportedly had lobbied against the FCC plan in retaliation for FCC Chrmn. Newton N. Minow's excoriation of industry "wasteland" programming. [See p. 179E3]

Senate foes of the SEC plan, which had been approved by a 212-176 House vote June 15, said that they opposed the delegation of major SEC decisions to "subordinate" employees and that there was no need for such delegation since SEC Chrmn. William L. Cary had testified June 2 that he did not intend to delegate general rule-making powers. The plan was opposed by N.Y. Stock Exchange Pres. G. Keith Funston and Boston Stock Exchange Pres. Harry W. Besse in testimony before a Senate Banking & Currency subcommittee June 2.

Chrmn. Oren Harris (D., Ark.) of the House Interstate & Foreign Commerce Committee and of its Special Regulatory Agencies Subcommittee, introduced a compromise FCC reorganization bill (HR7333) May 25. He revised the bill later to make it conform more with a Senate bill sponsored by Sen. John O. Pastore (D., R.I.) and developed by 7 FCC commissioners. The Pastore bill was backed by National Association of Broadcasters Pres. LeRoy Collins.

(Pres. Kennedy submitted reorganization plans for the CAB May 3, the FTC May 9, the NLRB May 24 and Federal Home Loan Bank Board June 12. The CAB and FTC plans won House approval.) [See p. 164D1]

Old-Age Benefits. The Senate passed and sent to joint conference by a 90-0 vote June 26 an Administration bill (HR6027) to liberalize the Social Security program by allowing men to retire at 62 and by increasing benefits.

The Senate version differed from a previously passed House bill in that it would allow a retired person to earn more money without loss of benefit.

This provision, proposed by Sen. Norris Cotton (R., N.H.) would cost an estimated \$45 million the first year and \$60 million annually thereafter.

Other differences were that the Senate bill would extend to June 30, 1962 the application period for disability claims and would increase the amount of federal funds provided to the states on a matching basis for aid programs for the aged, blind and disabled (estimated to cost \$20 million annually if all states participated). This latter provision had been proposed by Sen. Russell B. Long (D., La.)

Sen. Jacob K. Javits (R., N.Y.) introduced an amendment to include in the bill a medical-care-for-the-aged program, but he withdrew his proposal after receiving Democratic pledges that the Administration's medical care bill would receive Congressional consideration at the current session. [See pp. 156D3-157B1]

Housing Bill. The House June 22 passed by a 235-178 vote (210 D. & 25 R. vs. 140 R. & 38 D.) a \$4.9 billion omnibus housing bill (HR6028). The bill included only one major modification of the Administration's original housing bill. It was sent to joint conference to iron out differences with a previously passed Senate bill. (The Senate's \$6.14 billion bill included a \$1.2 billion veterans' home-loan program that the House had approved in a separate bill Apr. 12.)

The House's housing bill would provide for a 40-year, no-downpayment moderate-income rental housing program and a 35-year, 3% down-payment moderate-income, single-family sales housing program. In addition, it would authorize: (a) \$750 million for an FNMA special assistance fund; (b) \$1.2 billion for college housing loans; (c) \$500 million for community facility loans; (d) \$100 million for a revolving fund for housing of the elderly; (e) \$2 billion for urban renewal grants and \$30 million for urban renewal planning grants; (f) \$100 million for "open space" grants; (g) \$200 million for farm housing loans (in addition to extension of the current \$207 million authorization); (h) 100,000 public housing units.

The major change from the Administration's proposals was made in the controversial Administration plan for 40-year, no-downpayment loans for moderate-income homes. The House's 35-year, 3% downpayment plan was offered in the opening debate June 21 by the bill's floor manager, Rep. Albert Rains (D., Ala.). Prior to its acceptance by voice vote, a proposal by Rep. Edgar W. Hiestand (R., Calif.) to cut the maximum term to 30 years was defeated by a 171-156 vote.

During the 7-hour debate June 22 a Republican attempt to substitute a \$1.1 billion housing bill was defeated by a key 215-197 vote (208 D. & 7 R. vs. 158 R. & 39 D.). The GOP bill would have provided: (a) one-year extensions for FHA home repair, improvement and mortgage insurance authority, the Capehart military housing program and the voluntary home mortgage credit program; (b) an additional \$50 million authorization for the housing loan program for the elderly; (c) one-year programs and increased authorizations of \$500 million for urban renewal, \$300 million for college housing and \$50 million for public facilities. It also would have extended the current \$207 million farm-housing loan authorization. In fighting the GOP version, Rains claimed it would eliminate from the Administration bill public facilities and farm housing items "in which my Southern [and Far West] colleagues are interested. . . ."

The House also rejected proposals to eliminate the 100,000 public housing units, to require a minimum standard housing code for cities' grant eligibility, to condition urban-renewal aid on project approval by a local referendum and to ban racial discrimination in public housing. [See p. 217F1-A3]

Defense Funds Authorized. A bill (S1852) authorizing \$12.571 billion for procurement of aircraft, missiles and ships in fiscal 1962 was passed by voice votes of the Senate and House June 12 and signed by Pres. Kennedy June 22.

Differences in separate defense-authorization bills passed previously by the Senate and House were resolved when a joint conference: (a) accepted the Senate's original proposal to authorize \$525 million for long-range manned aircraft for the Strategic Air Command; (b) accepted the House's original proposal of \$21,000,000 to equip 15 C-135 jet transports with turbofan engines; (c) agreed to authorize only one (instead of 3) jet planes for Presidential use; (d) agreed to authorize one nuclear-powered and 6 conventionally-powered missile-firing frigates.

Sums authorized by the bill: Aircraft—Army \$211 million; Navy and Marine Corps, \$1,585,600,000; Air Force \$3,841,200,000. Missiles—Army, \$550,800,000; Navy, \$606,400,000; Marine Corps, \$27 million; Air Force, \$2,792 billion. Naval vessels, Navy, \$2,957 billion. [See pp. 186G3-187D1]

Tobin Convicted of Contempt. U.S. District Judge Luther W. Youngdahl ruled in Washington June 15 that N.Y. Port Authority Executive Director Austin J. Tobin was guilty of criminal contempt of Congress for having refused to give subpoenaed PA records to a House Judiciary subcommittee during a 1960 investigation of PA operations. Youngdahl fined Tobin \$100 and sentenced him to 30 days in jail, but stayed sentence pending appeal and pending Tobin's release of the documents to the subcommittee.

Tobin had said he had withheld the documents under the written orders of N.Y. Gov. Nelson A. Rockefeller and N.J. Gov. Robert B. Meyner. Youngdahl, however, ruling that Tobin's rôle had been "more than that of an adviser," held that the governors' orders "were a ratification of his [Tobin's] position rather than a command to assume that position."

Youngdahl also held that the documents were not "privileged and immune from Congressional demand."

The question of "special gubernatorial privilege" was not involved, Youngdahl said, because it "was never properly raised before the committee." [See Vol. XX, pp. 439G2-440B1]

Deutch Conviction Reversed. The Supreme Court by a 5-4 decision June 12 reversed the contempt-of-Congress conviction of nuclear researcher Bernhard Deutch of Springfield, Pa. Deutch, when questioned by the House Un-American Activities Committee in 1954, had answered questions about his past Communist affiliation but had refused to answer questions concerning others' Communist ties.

Justice Potter Stewart's majority opinion held that the pertinency of

the committee's questions to its topic of inquiry had not been proven. Chief Justice Earl Warren and Justices Hugo L. Black, William O. Douglas and William J. Brennan Jr. concurred. [See pp. 83F3-84E1]

Yellin Award Revoked. Chrmn. Overton Brooks (D., La.) of the House Space Committee announced June 21 that the National Science Foundation had revoked a \$3,800 fellowship it had awarded in March to Edward Yellin, 33, University of Illinois graduate student. Yellin had been convicted in 1960 of contempt of Congress for refusing to answer House Un-American Activities Committee's questions in 1958 about Communist activity. The award was revoked after a complaint by Chrmn. Francis E. Walter (D., Pa.) of the House Un-American Activities Committee.

Labor

Ship Strike. Pres. Kennedy invoked the Taft-Hartley Act June 26 in an attempt to end an 11-day-old strike of 5 maritime unions that had idled about ¼ of the 941-ship U.S.-flag fleet on 3 coasts. Under the act's emergency provisions the President appointed a 3-man inquiry board to study the issues involved.

(This was the 18th time the Taft-Hartley Law had been used—the 6th time it had been invoked in a ship or longshore dispute.)

Mr. Kennedy, who had voted against the Taft-Hartley law when he was a member of the U.S. House of Representatives, acted on the grounds that the strike had cut a supply line to Hawaii and had delayed military shipments. He rejected as "tactical" rather than "substantial" a proposal made June 25 by 3 of the striking unions that he establish a special U.S. board to determine essential U.S. cargo, which the strikers would allow to be shipped.

The men named to the Presidential board—Prof. James J. Healy, 45, of Harvard University, David L. Cole, 61, ex-Federal Mediation & Conciliation Service director, and Samuel I. Rosenman, 65, ex-N.Y. Supreme Court Justice—were the same men Labor Secy. Arthur J. Goldberg had picked earlier as a citizens' panel to seek a solution to the strike. Goldberg's plan, proposed June 22, was that each side accept a 60-day "cooling-off" period while the panel sought a solution. The shipowners accepted but the unions rejected the plan June 23. Goldberg had entered the negotiations just before the contract-expiration deadline, midnight June 15, when the walkout began.

The striking unions, all AFL-CIO affiliates, were the National Maritime Union of America (37,000 members); the Seafarers' International Union of North America, Atlantic & Gulf District and Great Lakes District (22,000 members); the National Marine Engineers' Beneficial Association (11,000); the International Organization of Masters, Mates & Pilots (11,000); the American Radio Association. In addition,

other members of these SIU affiliate unions were idled on the West Coast because of the mates-and-engineers' walkout: the Sailors' Union of the Pacific; the Marine Cooks & Stewards' Union; the Pacific Coast Marine Firemen, Oilers, Watertenders & Wipers Association. Pursers represented by the Staff Officers Union and some Radio Officers Union members were also idled.

The main issue was the unions' demand that they be allowed to organize and act as bargaining agent for about 25,000 seagoing personnel aboard some 700 American-owned foreign-flag ships. American owners operated ships under foreign "flags of convenience" or "runaway" flags because of lower taxes and operating costs. They claimed that such operation was subject to rules of any U.S. overseas business and hence beyond the jurisdiction of U.S. labor unions. Most of the strikers also sought higher pay through charges in differentials, and most of the unions wanted a joint employer-union arrangement, such as the NMU had, to work out industry problems.

About 35 shipping executives met in New York June 21 and issued, under the name of the National Labor Policy Committee, a policy statement blaming the negotiation breakdown on an inter-union power struggle between an NMU-MMP-ARA group led by NMU Pres. Joseph Curran and an SIU-MEBA group led by SIU Pres. Paul Hall.

(New York port was almost totally shut down June 21 when longshoremen held a one-day walkout to attend a meeting called by the N.Y. Maritime Port Council to clarify their position during the strike.)

(4 men were arrested and 3 slightly injured in a scuffle when Texaco refinery workers tried to cross an NMU picket line near Camden, N.J. June 16.) [See Vol. XVIII, p. 434D1]

Automation & Jobs. The coordination of public policy and private action to solve unemployment problems caused by automation was proposed in a report issued June 18 by the Armour Automation Committee.

The committee, established in 1959, was composed of 4 representatives of Armour & Co., of 4 representatives of the AFL-CIO United Packinghouse Workers of America and of the AFL-CIO Amalgamated Meat Cutters & Butcher Workmen of North America and of 2 public representatives—University of California Pres. Clark Kerr, chairman, and University of Illinois Law Prof. Robben W. Fleming, executive director. [See Vol. XIX, p. 448B3]

The report recommended: (a) a change in jobless benefit laws to permit job-training without employment interruptions; (b) studies of the feasibility of integrating public and private pension systems and of optional early retirement with a raise in allowable earnings for retired persons.

Company and public members of the committee opposed a shorter work week but the union members favored a shorter week. [See Vol. XIX, p. 374C-D3]

A 2-year contract with guarantees against lay-offs or downgrading due to automation was reported June 19 to have been signed by representatives of the American Cable & Radio Corp. and of the AFL-CIO Communications Workers of America. Under the con-

tract, a worker displaced by a machine was to get another job at the same pay rate and title.

(The contract also guaranteed employees' jobs in the event of merger and provided for a \$4 weekly wage raise, retroactive to June 1, for all employees except messengers, who were to get \$2-\$3.13 more a week and were to be entitled to higher wages for longer service. Basic weekly wages were \$86-\$118 for radio and cable operators, \$75-\$102.50 for printer multiplex operators, a \$40 starting wage for messengers.) [See p. 152A3]

Civil Rights

Arrest & Convictions. A group of 11 Negro and 9 white Freedom Riders (14 from California) was arrested in Jackson, Miss. June 25 after refusing to leave the segregated waiting-room of the train terminal following a ride from New Orleans. City Judge James Spencer June 26 convicted all but one of breaching the peace. Robert William Mason, 17, a Los Angeles Negro, was released without trial as a juvenile. (163 Freedom Riders had been convicted in Jackson by June 26. 108 were in city or state jails; 4 others paid fines; the rest were free on appeal bonds of \$500 each.) [See p. 225F1-C2]

10 Negro and white clergymen Freedom Riders arrested in Tallahassee, Fla. June 16 were convicted by city Judge John Rudd June 22 of unlawful assembly. They were ordered to pay fines of \$500 each or to serve 60 days in jail. All posted \$1,000 appeal bonds. City Atty. James Messer Jr. said at the trial that Atty. Gen. Robert F. Kennedy had sought a 2-hour delay in the arrest of the clergymen in a vain attempt to persuade them to forego the demonstration. [See p. 225G2-B3]

Airport Suits. The Justice Department sued in U.S. district court at New Orleans June 26 to bar racial segregation at restaurants in New Orleans' new Moisant International Airport. The U.S. had supplied 50% of the funds for the new terminal. The department said it acted at the request of the CAB and the Federal Aviation Agency. It charged that discrimination violated the U.S.' contract, the Federal Aviation Act and the Constitution.

A suit to end segregation at the Mobile, Ala. airport's waiting-room, restroom and restaurant facilities was filed in Mobile June 26 by the NAACP on behalf of 3 Negro Army reservists. [See p. 225D-F3]

Delaware Plans Upheld. U.S. District Judge Caleb M. Wright, in Wilmington, Del. June 26 approved short- and long-range plans to desegregate Delaware's public schools completely by 1970. They had been submitted by the State Education Board. [See Vol. XX, p. 478B-C1]

Little Rock Order. The U.S. 8th Circuit Court of Appeals in St. Louis Mar. 2 ordered the Little Rock, Ark. school board to take "affirmative action" "in more than a token fashion" toward public school desegregation. The order reversed a Sept. 2, 1960 ruling of U.S. Judge John E. Miller. [See Vol. XX, p. 339D1]

Times Libel Suits. The U.S. 5th Circuit Court of Appeals ruled in

New Orleans June 14 that the N.Y. Times and Times reporter Harrison Salisbury could not be sued in Alabama for libel allegedly committed in an Apr. 11, 1960 article on racial tension in Birmingham. The ruling reversed one by U.S. Judge Harlan H. Grooms. The court based its decision on an Alabama statute that permitted prosecution of a non-resident only for a completed action resulting from his acts in Alabama.

The plaintiffs were Birmingham City Commissioners James W. Morgan, Eugene Connor, James T. Waggoner and Jess Lanier; Bessemer City Commissioners Raymond Parsons and Hermand Thompson and Birmingham city detective Joe Lindsay. [See Vol. XX, p. 379E-G2]

U.S. District Judge Frank M. Johnson Jr. in Montgomery, Ala. June 26 refused to return to state court 2 of 5 libel suits against the N.Y. Times stemming from a Mar. 29, 1960 advertisement criticizing official action against students demonstrating against segregation. It requested funds to defend the Rev. Dr. Martin Luther King Jr., Negro integration leader. The suits had been brought by Ala. Gov. John Patterson and Montgomery City Commissioner Frank Parks. A 3d libel suit, brought by ex-Montgomery Police Commissioner Clyde Sellers, remained in federal court as Sellers withdrew his motion to return it to state court. In the 2 other libel suits resulting from the ad, all-white state juries had found the Times and 4 Negro ministers liable and had awarded the full \$500,000 judgments asked by both Montgomery Mayor Earl James (awarded Feb. 1) and Police Commissioner L. B. Sullivan (awarded Nov. 1960). All 5 suits had originated in state courts, but the Times Apr. 13 took 3 to federal court.

Johnson ruled June 26 that the 4 Negro ministers—the Rev. Ralph D. Abernathy, the Rev. S. S. Seay Sr., the Rev. F. L. Shuttlesworth and the Rev. J. E. Lowery—all of whom had been named as defendants with the Times, had been sued wrongfully. He said it was clear that they had not authorized the use of their names in the ad. [See Vol. XX, p. 205B-D3]

FOREIGN

France

CP Shake-Up. The French Communist Party May 14 ousted 5 members and an alternate member from its Central Committee. Those ousted, at the end of a 4-day meeting of the CP's 16th party congress in St.-Denis: Marcel Servin; Laurent Casanova and his wife, Claudine Chomet; Maurice Kreigel Valrimont; Jean Pronteau; Jeanne-Pierre Vigier, the alternate.

CP Secy. Gen. Maurice Thorez, 61, accused them May 14 of having tried to compromise with Gaullism, which he called an emanation of "monopolistic capitalism." They were criticized for refusing to confess their errors publicly.

Waldeck Rochet, author of a report that had condemned the 6, was elected deputy secretary general May 14. [See p. 94A1]

FACTS ON FILE

Great Britain

Honors List. Queen Elizabeth II's birthday honors list, issued June 9, cited about 2,300 persons for service to Britain and the commonwealth. (The queen's actual birthday [her 35th] was Apr. 21 but was officially celebrated June 10.)

Among honors awarded: Barons—Marks & Spencer, Ltd. chairman Sir Simon Marks, Gen. Sir Brian Robertson, ex-British commander in chief in the Middle East. Baron-life peers—National Coal Board Chrmn. Alfred Robens, Jersey bailiff Sir Alexander Moncrieff Coutanche. Order of the British Empire—auto racer John Surtees, soccer star Tom Finney, retired horse-trainer Capt. Charles Elsey, UN delegate Alan Alves Dudley (knight commander), counselor Paul Scott Rankine of the British Embassy in Washington, Australian-Amb.-to-U.S. Oliver Howard Beale (knight commander), Australian-born soprano Joan Sutherland (commander), Bechuanaland leader Seretse Khama (officer). Order of St. Michael & St. George—Uganda Gov. and commander-in-chief Sir Frederick Crawford (knight grand cross), British High Commissioner William Arthur Weir Clark of Cyprus (knight commander), UN delegate Arthur Hillis (companion). [See Vol. XX, p. 5A2]

Italy

Tyrol Violence. Bombings and other violence were carried out June 12-19 in Alto Adige, Italy's northernmost province of Bolzano (South Tyrol), by German-speaking elements agitating for greater autonomy. Many electric power installations were damaged; this forced a temporary halt in industrial production.

Italian Interior Min. Mario Scelba June 14 ordered Italian police reinforcements sent to Bolzano. Regional authorities there demanded the surrender of arms and ammunition within 3 days. The Italian government June 16 declared all industrial and military installations out of bounds at night.

Scelba arrived in Bolzano June 18 to inspect military and police measures. Addressing 114 Bolzano mayors (104 of whom were of German-speaking origin), Scelba appealed for co-operation against the bombers.

Italian army sentries June 19 shot and killed a man in Sarentino and another in Malles Venosta. Both had refused to answer sentry challenges.

The violence erupted after Italy and Austria had resumed discussions of the Alto Adige dispute in Klagenfurt, Austria May 24 but apparently failed to reach agreement.

Italian-Austrian talks were reopened in Zurich, Switzerland June 24, but were ended in deadlock June 25 as both sides accused each other of being responsible for the Bolzano violence. The Austrian delegation, headed by Foreign Min. Bruno Kreisky, rejected an Italian plan, forwarded by Foreign Min. Antonio Segni, to grant Bolzano "administrative" powers. The Austrians reiterated their demands for "full regional autonomy" for the area. The 2 sides agreed to seek outside mediation. The Austrians suggested (1) the formation of an international commission of inquiry or (2) an appeal to UN Secy. Gen. Dag Hammarskjöld. The Italians favored submitting the dispute to the International Court of Justice at The Hague. [See p. 94D3]

Milazzo Elected in Sicily. Christian Social Union leader Silvio Milazzo was elected president of Sicily by the Sicilian Parliament May 17. His election gave the semi-autonomous re-

gion a chief executive for the first time since Pres. Benedetto Majorana della Nicchiara resigned Mar. 1. Milazzo defeated Christian Democratic candidate Natala di Napoli 45 votes to 42.

Socialist Deputy Mario Martinez had defeated di Napoli for the Sicilian presidency by 42 to 40 Apr. 4, but Martinez resigned immediately because he received neo-Fascist votes.

The Sicilian Parliament, by a 47-40 vote June 22, elected Socialist Salvatore Corallo as its president. Corallo, who defeated a Christian Democratic candidate, asked for a delay in deciding whether to accept. [See p. 142G3]

Pakistan

Foreign Loan Pledge. The World Bank and a 6-nation consortium (informally called the Aid-to-Pakistan Club) agreed in Washington June 7 to lend Pakistan \$320 million in 1962 to help its 2d 5-year plan. The World Bank and the International Development Association were to contribute \$77,400,000, the U.S. \$150 million and the remaining 5 nations (Britain, France, West Germany, Canada and Japan) \$92,600,000.

Pakistani Finance Min. Mohammed Shoaib said in Washington June 8 that the pledge was inadequate. Pakistan had asked for \$945 million for 2 years. [See pp. 207E2, 105D1; Vol. XX, 32F3]

South Korea

Song Heads Defense. Retired Lt. Gen. Song Yo Chan, ex-ROK chief of staff, was appointed defense minister by South Korea's ruling military junta June 12. He replaced Gen. Chang Do Young, who resigned from the post June 6 to devote all his time to his duties as junta chairman and cabinet chief. Song had retired as army chief May 20, 1960 after being linked to fraudulent returns in the military vote for ex-Pres. Rhee.

Another ex-army chief of staff, Chung Il Kwon, was appointed by the junta June 12 as ambassador to the U.S.

The junta June 9 named its vice chairman, Maj. Gen. Pak Chung Hi, as chairman of its new 8-man Standing Committee. [See p. 200C1-A2; Vol. XX, 182C3]

Soviet Union

Rudnev Named Space Chief. Chrmn. Konstantin N. Rudnev of the State Committee for Defense Technology was appointed June 10 as a Soviet deputy premier and chairman of the State Committee for the Coordination of Scientific Research, a post in which he was to head the USSR's space and rocket drive. Rudnev replaced Mikhail V. Khrushchev, who died June 1. Leonid Smirnov was to replace Rudnev in the defense post. [See p. 208C2]

LATIN AMERICA

Cuba

Tractor Offer Rejected. Premier Castro June 23 rejected the Tractors for Freedom Committee's offer to ex-

change 500 U.S. tractors for captured rebels. The committee, which had set June 23 as the deadline for acceptance of the offer, disbanded after its rejection.

Castro had demanded equipment worth \$28 million—500 bulldozers or 1,000 tractors. He said the 500 tractors offered by the committee would not "satisfy even a meager part of the damages suffered because of the cowardly and criminal aggression against Cuba organized by" the U.S. Castro charged that the purpose of the committee's offer was "to break off the negotiations and blame" Cuba for it.

Castro said he would permit the 10 prisoners who had negotiated with the committee in May to return to the U.S. to "explain to the North American people the facts."

The 10 captives arrived in Key West, Fla. June 24. They conferred June 24, 25 and 27 with John Hooker Jr., executive secretary of the defunct tractors committee. Hooker said the committee planned no negotiations since it had disbanded and the captives "cannot negotiate anyway—they are prisoners of a dictator, and prisoners cannot negotiate." [See p. 228D1]

U.S. Policy

Stevenson Ends Tour. U.S. Amb.-to-UN Adlai Stevenson returned to Washington June 22 after an 18-day tour of 10 South American countries as a personal emissary of Pres. Kennedy.

Stevenson ended his tour with visits to Ecuador June 18-19 and to Colombia June 20-21. Prior to meeting Ecuadorian Pres. José María Velasco Ibarra June 19, Ecuadorian government leaders gave Stevenson a memo

stressing the need for inter-American economic cooperation to prevent a drop in the prices of basic export commodities. The memo asked for a \$20 million U.S. emergency loan to bolster Ecuador's budget and for \$17 million in long-term financing. Stevenson arrived in Bogotá June 20, conferred with Colombian Foreign Min. Julio César Turbay Ayala and was a guest of Pres. Alberto Lleras Camargo at a private evening dinner.

Stevenson reported to Mr. Kennedy June 23. At a news conference afterwards, Stevenson said:

• Economic and political conditions had worsened in Latin America since his 1960 visit to the area. "Popular discontent" had increased. Government "stability" had declined. Communist and rightwing subversion had "clearly increased."

• The countries he visited displayed "a more universal awareness of the necessity for making social reforms." Mr. Kennedy's Alliance for Progress program "attracted universal enthusiasm and approval."

• "The principle of non-intervention is a religion in Latin-America." Insofar as the Apr. 17 Cuban invasion "can be considered American intervention, it is unpopular in South America."

• Latin Americans favored the "objectives of the revolution in Cuba" but were largely unaware that the revolution had been "betrayed" and perverted by communism. [See p. 228F2]

Venezuela

Rebellion Crushed. Venezuelan troops June 26 crushed a 4½-hour military rebellion in Barcelona, capital of Anzoátegui State, 150 miles east of Caracas. 17 persons were

killed and 13 wounded. Other government troops quickly put down a coordinated military uprising in La Guaira, 4 miles north of Caracas.

The Barcelona revolt was led by 2 retired army officers—Maj. Ruben Masso Perdomo and Capt. Luis Alberto Vivas Ramirez—who had secretly reentered Venezuela after leaving the country. They entered the Barcelona military garrison, whose commander, Maj. Fidel Parra Rodriguez, had been away, and led its 250 soldiers to capture the city. Before surrendering to loyal troops, the rebels arrested Anzoátegui Gov. Rafael Solorzano Bruce and other state officials, seized the main radio station and raided the local headquarters of Pres. Rómulo Betancourt's Democratic Action Party. Most of the rebels, including Masso and Vivas, were captured.

Authorities were searching for 2 alleged ring-leaders of the revolt—Cols. Oscar Tamayo Suarez, ex-head of the National Guard, and Martin Parada, former pilot of ex-dictator Marcos Pérez Jiménez. Tamayo and Parada, linked to a series of other anti-government incidents, had been sought for the past month on a charge of having planned to oust the Betancourt régime and set up a military junta under Gen. Jesús María Castro León. León had been imprisoned for leading an unsuccessful revolt Apr. 20-21, 1960. About 30 followers of the Tamayo-Parada-León group had been arrested since May 31.

In La Guaira, government troops arrested 4 officers who tried to incite the city's military garrison to revolt. They also arrested a group directed by a 5th officer that tried to capture the city's power plant. [See pp. 67B3; XX, 152E3]



Business & Financial Summary

Week Ended June 24

FINANCE:

U.S. Treasury—

	This Week	Last Week	Year Ago
Monetary gold stocks	*\$17,487	*\$17,449	*\$19,346
Currency circulation	*\$32,247	*\$32,299	*\$31,927

Banks—

	This Week	Last Week	Year Ago
Com'l & ind'l loans\$	*\$31,519	*\$31,161	*\$31,730
Agricultural loans\$	*\$1,148	*\$1,149	*\$964
N.Y. bank clearings	\$17,966,530,592	\$16,486,104,106	\$15,955,469,448
England note circulation	*£2,311.392	*£2,306.054	

N.Y. Stock Exchange—

	This Week	Last Week	Year Ago
Stock sales (shares)	16,076,560	16,320,338	18,279,530
Stock avgs. (100 shares)**	249.84	249.77	229.73
Bond sales (par value)	\$25,158,200	\$26,590,000	\$27,637,000
Bond avgs. (30 bonds)**	85.94	86.11	84.72

INDUSTRY:

	May	April	May 1960
Auto output (cars & trucks)† ..	150,536	156,003	167,185
Crude oil (bbl. daily)	7,105,260	7,053,710	6,839,560
Soft-coal output (tons)	8,470,060	7,495,000	8,738,000
Electric output (kwh.)	*15,345	*15,004	*14,441
Coal loadings (cars)	*602,153	593,304	649,503
Ind'l output\$	108	105	110
Steel output (tons)	8,980,626	7,584,687	8,830,472

PRICES:

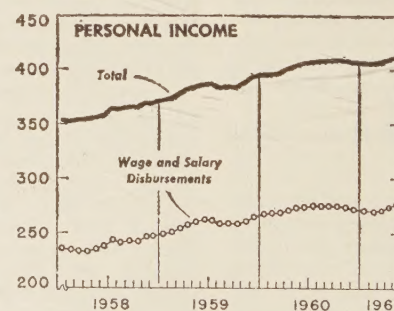
	This Week	Last Week	Year Ago
Wheat (bu.)	\$2.33 3/4	\$2.36 1/4	\$2.27 7/8
Corn (bu.)	\$1.39 3/8	\$1.39 3/8	\$1.45 1/2
Cotton (lb.)	\$.345	\$.345	\$.34 1/2
Steel scrap avg. (ton)†	\$37.83	\$37.83	\$31.00
Wholesale food index‡	455.88	455.89	455.91
Weekly whlst. index (BLS)§ ..	4118.7	4118.7	4119.5

BUSINESS:

	This Week	Last Week	Year Ago
Dept. stores sales §¶	158	151	147
Failures (June 15)‡	351	349	353

*In millions **N.Y. Herald Tribune †Ward's estimate ‡Dun & Bradstreet
 ¶1947-49=100 §Federal Reserve Board ¶Member banks, 107 cities, June 14
 §June 17 ¶June 10 †June 20 ‡1957=100.

Personal Income Record. Total U.S. personal incomes rose from a seasonally adjusted annual rate of \$411.3 billion in April to a record \$413.7 billion rate in May, according to June 23 Commerce Department statistics.



graph shows the trend of all personal incomes (seasonally adjusted at annual rates in billions of dollars) as compared with wages and salaries during 1958-60 and Jan.-May 1961. [See p. 144E2]

Tin Pool Empty. The International Tin Council disclosed in London June 20 that it had sold all the tin in its buffer pool. ITC buffer sales had been made to keep tin prices from rising above £880 (\$2,464) a ton (\$1.10 a pound). The price had been about £780 (\$2,184) a ton and ITC buffer stocks had totaled 10,030 tons at the beginning of 1961. World tin consumption, however, exceeded production by about 10,000 tons a month and caused price increases and a drain of available supplies. The price rose to \$1.10% in London June 20. Speculators were reported to have bought heavily. [See Vol. XIX, p. 31E1]